

Department of Commerce

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY PROGRAM					
Commerce	28,982,100	20,037,600	29,000,500	29,755,000	28,814,800
Idaho Rural Partnership	165,400	33,400	165,700	169,000	166,600
Total:	29,147,500	20,071,000	29,166,200	29,924,000	28,981,400
BY FUND CATEGORY					
General	7,224,700	7,037,900	6,687,900	6,907,900	6,484,200
Dedicated	5,891,400	5,153,600	6,445,100	6,598,300	6,455,000
Federal	16,031,400	7,879,500	16,033,200	16,417,800	16,042,200
Total:	29,147,500	20,071,000	29,166,200	29,924,000	28,981,400
Percent Change:		(31.1%)	45.3%	2.6%	(0.6%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,164,700	2,754,000	3,156,500	3,213,000	3,163,200
Operating Expenditures	4,107,100	3,737,900	4,218,200	4,375,600	4,174,700
Capital Outlay	94,200	68,700	10,000	118,800	12,000
Trustee/Benefit	21,781,500	13,510,400	21,781,500	22,216,600	21,631,500
Total:	29,147,500	20,071,000	29,166,200	29,924,000	28,981,400
Full-Time Positions (FTP)	55.00	55.00	54.00	54.00	54.00

Department Description

The Department of Commerce is comprised of five divisions.

Economic Development: helps existing businesses expand, encourages the start-up of new Idaho businesses, and helps bring about economic diversification by attracting new businesses to Idaho. Assists local development efforts, and develops, maintains, and disseminates economic and demographic data.

Rural and Community Development: provides financial and technical assistance to Idaho's cities and counties in the construction and rehabilitation of critical infrastructure to support economic diversification, expansion, and sense of community.

International Business: assists Idaho businesses export goods and services, helps develop access to new markets, and increases foreign awareness and acceptance of Idaho products and services.

Tourism Development: helps expand Idaho's tourism and recreation industry by marketing Idaho travel opportunities at home and abroad, distributing grants to communities to promote tourism, and developing the state's film industry.

Administration: provides fiscal, personnel, and administrative support services to the department and its operational divisions.

The Idaho Rural Partnership (IRP), also housed within the Department of Commerce, is a managed network aimed at streamlining work on rural issues among federal, state, local and tribal government agencies, and the private and nonprofit sectors. The IRP serves as a nonpartisan forum for clarifying rural issues. It works to reduce the geographic and intellectual isolation of rural leaders by serving as an information clearinghouse and referral center for rural programs and policies.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	54.00	6,687,900	29,166,200	54.00	6,687,900	29,166,200
Budget Reduction (Neg. Supp.)	0.00	(234,100)	(234,100)	0.00	(234,100)	(234,100)
FY 2003 Total Appropriation	54.00	6,453,800	28,932,100	54.00	6,453,800	28,932,100
Removal of One-Time Expenditures	0.00	0	(10,000)	0.00	0	(10,000)
Base Adjustments	0.00	0	0	0.00	0	0
Restore Budget Reduction	0.00	234,100	234,100	0.00	0	0
FY 2004 Base	54.00	6,687,900	29,156,200	54.00	6,453,800	28,922,100
Personnel Cost Rollups	0.00	25,700	40,100	0.00	30,000	46,800
Inflationary Adjustments	0.00	22,600	532,600	0.00	0	0
Replacement Items	0.00	148,800	160,800	0.00	0	12,000
Nonstandard Adjustments	0.00	4,700	6,900	0.00	400	500
Change in Employee Compensation	0.00	18,200	27,400	0.00	0	0
FY 2004 Total	54.00	6,907,900	29,924,000	54.00	6,484,200	28,981,400
Change from Original Appropriation	0.00	220,000	757,800	0.00	(203,700)	(184,800)
% Change from Original Appropriation		3.3%	2.6%		(3.0%)	(0.6%)

Department of Commerce

Analyst: Freeman

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation	54.00	6,687,900	6,445,100	16,033,200	29,166,200

Budget Reduction (Neg. Supp.)

Reflects the Governor's 3.5% General Fund holdback. The agency plan calls for a reduction of \$234,100 (\$29,100 in personnel costs, \$55,000 in operating expenses and \$150,000 in trustee and benefit payments).

Agency Request	0.00	(234,100)	0	0	(234,100)
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The Governor recommends that the General Fund holdback, as directed by Executive Orders 2002-08 and 2002-09, be incorporated as a negative supplemental appropriation for FY 2003.

Governor's Recommendation	0.00	(234,100)	0	0	(234,100)
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FY 2003 Total Appropriation					
Agency Request	54.00	6,453,800	6,445,100	16,033,200	28,932,100
Governor's Recommendation	54.00	6,453,800	6,445,100	16,033,200	28,932,100

Removal of One-Time Expenditures

Agency Request	0.00	0	(5,000)	(5,000)	(10,000)
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Governor's Recommendation	0.00	0	(5,000)	(5,000)	(10,000)
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Base Adjustments

Reflects an expenditure object transfer of \$11,000 from personnel to operating for the Washington, DC office to cover increased expenses.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Restore Budget Reduction

Agency Request	0.00	234,100	0	0	234,100
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The Governor recommends that reductions made in appropriations in fiscal year 2003 not be restored to the budget base.

Governor's Recommendation	0.00	0	0	0	0
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FY 2004 Base					
Agency Request	54.00	6,687,900	6,440,100	16,028,200	29,156,200
Governor's Recommendation	54.00	6,453,800	6,440,100	16,028,200	28,922,100

Personnel Cost Rollups

Includes the employer portion of estimated changes in employee benefit costs.

Agency Request	0.00	25,700	7,700	6,700	40,100
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The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.

Governor's Recommendation	0.00	30,000	9,000	7,800	46,800
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Inflationary Adjustments

Includes a general inflationary increase of 2.4% in operating expenditures and trustee/benefit payments.

Agency Request	0.00	22,600	138,500	371,500	532,600
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The Governor recommends no increase for general inflation.

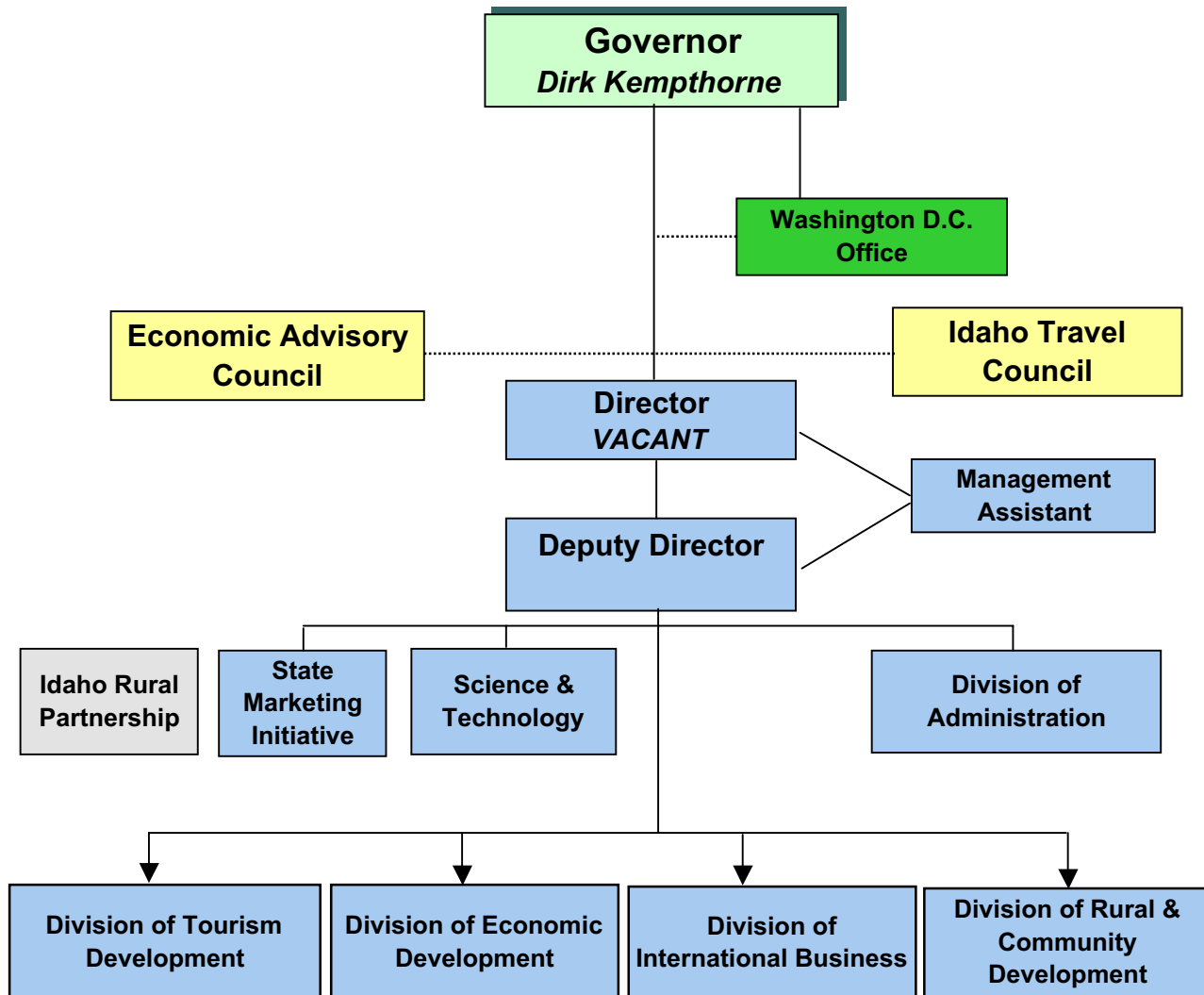
Governor's Recommendation	0.00	0	0	0	0
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Department of Commerce

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
CAPITAL OUTLAY: 24 PCs (\$48,000), 30 monitors (\$30,000), 2 hard drives (\$800), 1 tape drive (\$4,500), memory (\$5,000), 2 laptops (\$7,000), 2 laser printers (\$8,000), 1 network switch (\$3,500), 2 servers (\$8,000), 1 digital camera (\$1,000), 1 scanner (\$2,000), and 4 cell phones (\$1,000).					
OPERATING EXPENSES: software upgrades (\$33,000), non-capital computer equipment (\$3,000), and 60 software site licenses (\$6,000).					
Agency Request	0.00	148,800	6,000	6,000	160,800
<i>General Fund replacement items not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>6,000</i>	<i>6,000</i>	<i>12,000</i>
Nonstandard Adjustments					
Reflects an adjustment in Attorney General, Controller and Treasurer fees pursuant to the Statewide Cost Allocation Plan. Also reflects an adjustment for Risk Management property/casualty rates.					
Agency Request	0.00	4,700	1,100	1,100	6,900
<i>The Governor recommends no adjustment to building space charges for state agencies.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>400</i>	<i>(100)</i>	<i>200</i>	<i>500</i>
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	18,200	4,900	4,300	27,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2004 Total					
Agency Request	54.00	6,907,900	6,598,300	16,417,800	29,924,000
<i>Governor's Recommendation</i>	<i>54.00</i>	<i>6,484,200</i>	<i>6,455,000</i>	<i>16,042,200</i>	<i>28,981,400</i>
Agency Request					
Change from Original App	0.00	220,000	153,200	384,600	757,800
% Change from Original App	0.0%	3.3%	2.4%	2.4%	2.6%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>(203,700)</i>	<i>9,900</i>	<i>9,000</i>	<i>(184,800)</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>(3.0%)</i>	<i>0.2%</i>	<i>0.1%</i>	<i>(0.6%)</i>

Organizational Chart

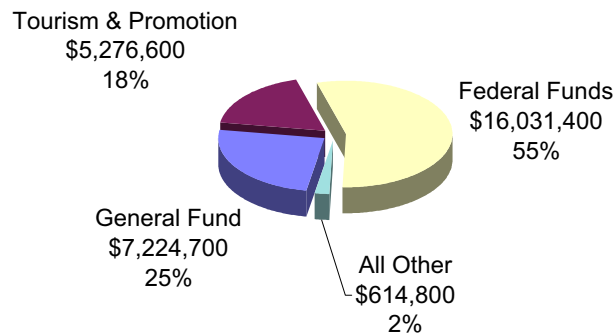


Department of Commerce

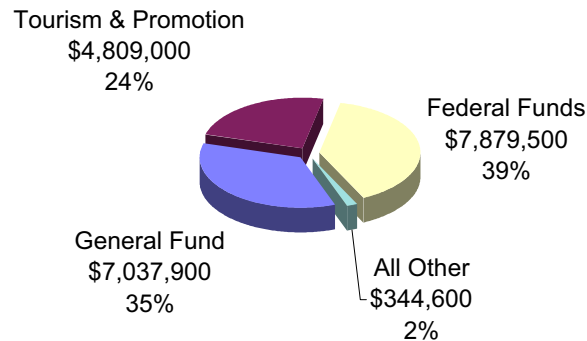
Issues & Information

Analyst: Freeman

FY 2002 Total Appropriation \$29,147,500



FY 2002 Actual Expenditures \$20,071,000



Tourism & Promotion Fund

A 2% "bed" tax collected on sales by an establishment which provides lodging to members of the public for a fee, including hotels, motels, private campgrounds, RV parks, etc. is deposited to the Tourism & Promotion Fund. Revenue from the tax is distributed as follows: 45% Statewide Programs, 45% Regional Organizations, and 10% administration expenses.

Statewide Programs	Year round operations (staff, public & industry relations, toll free phone numbers), advertising and promotions (statewide ad campaigns), special promotions, publications, education & research, \$25,000 for Gateway Visitor Centers.
Regional Organizations	Distributed via competitive grants back to non-profit travel and promotional organizations within the 7 travel regions. The tax revenue generated in a particular region must go back to that region.
Administration	For administrative and fixed operating costs e.g. staff, rent, phone, legal, audit, workshops and training, memberships.

The Tourism & Promotion Fund also receives \$25 of the initial fee and \$15 of the annual renewal fee for the Idaho snow skier license plates for promotion of Idaho's ski industry.